



Michigan *Office of the Auditor General* **REPORT SUMMARY**

Performance Audit

Tuition and Other Financial Obligations Assessed to Students at Michigan Public Universities

Report Number:
331-0305-05

Released:
February 2007

Michigan's public university system, which began in 1817, has expanded to 15 four-year universities located throughout the State. The rising cost of higher education at Michigan public universities has received considerable attention from the Governor and the Legislature. Also, the cost of higher education has drawn considerable criticism at the national level. Based on a national comparison, Michigan received a failing grade for college affordability in 2004 and led the nation with the largest dollar increase in published tuition and fees for public universities in academic year 2005-06.

Audit Objective:

To assess Michigan public universities' effectiveness in publicly disclosing all tuition and other financial obligations assessed to their students.

Audit Conclusion:

We concluded that, collectively, Michigan public universities were effective in publicly disclosing all tuition and other financial obligations assessed to their students. Our report does not include any reportable conditions related to this audit objective.

~ ~ ~ ~ ~

Audit Objective:

To assess Michigan public universities' compliance with the tuition restraint requirements prescribed by Section 436, Act 352, P.A. 2004.

Audit Conclusion:

We concluded that Michigan public universities were in compliance with tuition restraint requirements prescribed by

Section 436, Act 352, P.A. 2004. Our report does not include any reportable conditions related to this audit objective. However, our report does include a related observation regarding student fees (Observation 1).

~ ~ ~ ~ ~

Audit Objective:

To analyze and provide data regarding Michigan public universities' establishment and assessment of tuition and other financial obligations assessed to their students.

Audit Conclusion:

We analyzed and provided data regarding Michigan public universities' establishment and assessment of tuition and other financial obligations assessed to their students. Our analyses and data are provided in Exhibits 1 through 15o. In addition, we noted one reportable condition (Finding 1) and four observations (Observations 1 through 4).

Reportable Condition:

Ferris State University (FSU) and Lake Superior State University (LSSU) did not consult with the Department of Labor and Economic Growth before entering into reciprocal agreements. Also, FSU and LSSU did not obtain approval from the appropriations committees of the House of Representatives and the Senate for their reciprocal agreements. (Finding 1)

~ ~ ~ ~ ~

Observations:

Our analyses of data resulted in observations related to student fees, university general fund revenues, institutional aid, and nonresident tuition rates (Observations 1 through 4).

~ ~ ~ ~ ~

Supplemental Information:

Our report provides data, analyses, and comparisons related to the revenues and expenditures of Michigan public universities. These include comparative analyses of tuition and fee revenues received by the universities as well as trend analyses of student tuition and fee assessments and fiscal year equated students among the universities; analyses of general fund expenditures as well as the compensation of the faculty and staff among the universities; and analyses of institutional aid and nonresident tuition rates (Exhibits 1 through 15o).

~ ~ ~ ~ ~

Agency Response:

Our audit report includes 1 finding and 2 corresponding recommendations. FSU's and LSSU's preliminary responses indicate that they agree with the recommendations and will comply.

~ ~ ~ ~ ~

A copy of the full report can be obtained by calling 517.334.8050 or by visiting our Web site at: <http://audgen.michigan.gov>



Michigan Office of the Auditor General
201 N. Washington Square
Lansing, Michigan 48913

Thomas H. McTavish, C.P.A.
Auditor General

Scott M. Strong, C.P.A., C.I.A.
Deputy Auditor General